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8 SEP 1964

MEMORANDUM FOR: Acting Deputy Director for Support

SUBJECT : Current Interest Items

1. Early Retirement Bill

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Mr. Braswell released an unofficial copy of a 2 September Committee Print of the bill to [REDACTED] on Wednesday afternoon. Based on a general review of this latest version, we prepared an analysis which was forwarded by [REDACTED] to General Carter on Thursday. Since you received a copy of that memorandum, we won't again summarize it here. We have also prepared a detailed comparison of HR 3427 as approved by the House and the two Committee Prints and reviewed it with [REDACTED] and his staff. As a result, several technical amendments were prepared and delivered to Mr. Braswell on Thursday. 25X1A9a

We have scheduled a meeting on Tuesday, 8 September to review the changes made with representatives of the components concerned. They have been sent in advance a copy of the 2 September bill, the analysis prepared for General Carter, and the detailed comparison of the three versions.

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[REDACTED] met with Mr. Braswell late Friday afternoon at which time Mr. Braswell accepted, with one exception, the technical amendments. He did not agree that our proposal to delete a new 20-year service requirement for involuntary retirement at age 50 was a "technical amendment."

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Mr. [REDACTED] met with Mr. Braswell on Friday to deliver the technical amendments. Mr. Braswell indicated that he was working on his report on the bill and that it would probably be taken up by the Committee on Thursday, 10 September. He said that he had our arguments on the changes which had not been included in the 2 September version in mind and would present them to the Committee. We are revising the material prepared for General Carter on these points and will offer it to Mr. Braswell for his use in this connection. We are also preparing for Mr. Braswell, at his request, revised cost estimates based on the provisions of the 2 September bill.

Drafting of the regulations continues to be a full-time priority job. Some further changes are required by the most recent changes in the bill. However, we are concentrating our effort now on those parts which might be considered controversial in terms of the coordination which will be required both within the Agency and outside of the Agency. The addition of a new definition of "qualifying service" in the latest version of the bill has called for a considerable amount of redrafting in the regulatory material on criteria and designation of participants. Although we do not have a definite date for completing them, we propose to undertake Agency coordination of these sections perhaps in advance of the nuts and bolts provisions which are fairly specifically established in the bill and leave little room for interpretation or amplification in our administrative regulation. Certainly, we would expect to initiate this phase of coordination during the week of 14 September.

DOCUMENT NO. _____
NO CHANGE IN CLASS. ☐

RECLASSIFIED

CLASS. CHANGED TO: _____

DATE: _____

AUTH: HR 70-2

DATE: 16/03/8

REVIEWER: _____

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GROUP 1
Excluded from automatic
downgrading and
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2. New Dual Compensation Act

We have sent letters to the retired officers appointed under PL53 advising them of the provisions of the new Dual Compensation Act pertinent to their status. The points covered are these:

- a. Repeal of PL53 (50 U.S.C. 403r(r))
- b. Provision that retired officers may receive civilian salary and \$2,000 plus one-half of excess over \$2,000 of his annuity.
- c. Requirement that officer elect whether to remain under his present compensation system or be placed under the new system; election to be irrevocable; election to be reported in writing to officer's Retired Pay Division no later than 1 December 1964; failure to report shall be construed as election to remain in present system. (Each officer has been given the address of the Retired Pay Division for his service.)
- d. Changes limiting the credit of military service for determining total service as basis for annual leave accrual do not apply to officers on the rolls as of the effective date of the new Dual Compensation Act.
- e. The new Act does not affect the previous option for waiving military retirement and credit that service for Civil Service retirement.

3. \$50 Fee Limitation on Consultant Contracts

Although the general rule on maximum consultant compensation is tied to the GS-scale, the National Security Act of 1947 fixes a specific dollar limitation of \$50 on the compensation payable to our consultants. In addition, certain other agencies have obtained special legislation permitting consultant's pay up to \$100 per day. Over the past several years, we have discussed with the Legislative Counsel the possibility of seeking legislation either to update or remove the \$50 limitation on Agency consultants. However, it was indicated that BOB would require in justification of such a legislative proposal a citation of specific cases in which an individual had declined to serve the Agency because of the relatively small fee the Agency could pay. After extensive checking with the principal offices concerned, we were unable to identify a single case.

We believe the explanation of our success in obtaining highly qualified consultants at the \$50 rate has been the dedication of the individuals concerned to serve their country and the prestige of being associated with this Agency.

As a result of Mr. Kirkpatrick's interest in a particular case which came to his attention, our earlier efforts to justify legislation in this area are being reviewed. We hope to establish a case based on

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the changed circumstances since 1947 when \$50 was a relatively generous rate and the incongruity of a rule which requires that a former GS-18 employee serve for a fee equivalent to about GS-12. Although it is too late in this session to introduce corrective legislation, it is our intention to work closely with the Legislative Counsel in preparing an appropriate case for submission to BOB and clearance for Congressional action in the next session.

4. EOB of Non-Stenographic Clericals on Provisional Clearance

We have reviewed the current prospects for input of clerical personnel into IAS and have concluded that it will be necessary to EOB up to 100 non-stenographic clericals (clerk-typists, clerks, messengers, and couriers) on provisional clearances if we are to meet estimated requirements in these categories.

We will watch this program closely and re-examine our overall situation in January or February 1965 to determine whether any changes are indicated.

5. Employee Activity Association

Chief, EOB has met with representatives of the Office of Security and of the Central Cover Staff concerning problems associated with participation of Clandestine Services employees in the activities of the Employee Activity Association. An informal working group comprised of [redacted] and [redacted] (Personnel), [redacted] (Cover), and [redacted] (Security) was formed to study these problems thoroughly and develop suggested solutions to permit at least limited participation of CS employees in the Association's activities.

6. Possible Savings to the Government on Medical Claims

We have previously advanced in highly tentative form the possibility that a substantial savings to the Government might be realized if our master hospitalization contract could be amended to remove an exclusionary clause prohibiting payment in those instances in which reimbursement could be made under statutory authority. The effect of this clause has been to require that overseas medical claims first be processed under F110 and any unpaid items be considered for possible payment under the employee's insurance policy.

This possibility has been discussed informally with CSC officials administering the Federal Employees Health Benefits Act and the underwriter's representative and both have indicated that there would probably be no objection to a reversal of this procedure: claims to be processed first under the employee's health insurance policy and residual items reviewed for possible payment under F110.

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We are developing a formal proposal for consideration of the Personnel Advisory Board to implement such a change. Tentatively, our proposal would be that all overseas claims be first reviewed in the Insurance Branch and that only those items which would not be payable under the high option plan (regardless of whether the individual has the coverage) be considered for payment under FL110. Obviously, implementation of such a change, if approved, would require ample advance notice and an "open period" to permit all employees affected to obtain high option coverage if they desired.

7. Blood Donors

Tuesday, 1 September, was Bloodmobile Day at headquarters. There were 137 prospective donors who contributed 134 pints of blood. Although this is slightly lower than our usual number, we believe this is a seasonal drop and that October will be more typical of our usual experience.

8. Exercise Room

The Exercise Room opened on 1 September and has been used every day since. The number of employees who have used the facility is shown below; in addition, there have been over 900 visitors.

<u>Date</u>	<u>Employees</u>
1 September	4
2 September	14
3 September	16
4 September	18
5 September	5
6 September	6
7 September	3
Total	66

/s/ Emmett D. Echols

Emmett D. Echols
Director of Personnel

Distribution:

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OD/Pers, [REDACTED] (8 September 1964)

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